



EX PARTE OR LATE FILED

**Celia Nogales**  
Director - Federal Relations

April 7, 1998

Ms. Magalie Roman Salas  
Secretary  
Federal Communications Commission  
1919 M Street, NW  
Room 222  
Washington, DC 20554

**RECEIVED**

APR - 7 1998

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Re: **Ex Parte Filing**  
CC Docket 96-45

Dear Ms. Salas:

On Monday, April 6, 1998, Mr. Milan Holy, Mr. Dick Kolb and I met with Mr. Craig Brown, Mr. Chuck Keller, Mr. Brad Wimmer, Mr. Brian Clopton and Ms. Natalie Wales of the Universal Services Branch to provide a status report on the Universal Service Cost Study Proceeding in each of Ameritech's five states. The attached information was used as part of our discussion.

Sincerely,

A handwritten signature in cursive script that reads "Celia Nogales".

Attachment

cc: C. Brown  
C. Keller  
B. Wimmer  
B. Clopton  
N. Wales

No. of Copies rec'd 022  
List A B C D E

**Ameritech**  
***Ex Parte Presentation***  
***on State Universal Service***  
***Cost Proceedings***

**April 6, 1998**  
**Washington, DC**

# Commission Activities in Ameritech States

## Week Ending 4/3/98

	Illinois	Indiana	Michigan	Ohio	Wisconsin
TELRIC Proceeding	Docket Nos. 96-0486/0569	Cause No. 40611	Case No. U-11280	Case No. 96-922-TP-UNC	Docket No. 6720-TI-120 (SGAT)
TELRIC Status	2nd Interim Order 2/17/98	Waiting for order	Rehearing Order 1/28/98	2nd Entry on Rehearing 11/6/97	SGAT 2nd Order 5/29/97
Universal Service Cost Proceeding	Docket No. 97-0515	Cause No. 40785	Case No. U-11635	Case No. 97-1657-TP-UNC	Docket No. 05-TI-160
Type of Proceeding	Workshops; hearings	Workshops; hearings	Comment cycle	Comment cycle?	Hearings
Cost Study Type	Company specific model & inputs	BCPM 3.1 with company specific inputs	Company specific model & inputs	Company specific model & inputs	Company specific model & inputs
Non-rural LECs	GTE	GTE, Sprint	[GTE]	[Cincinnati Bell], [GTE], [Sprint]	GTE
Status	Hearing Examiner's Proposed Order	1st brief	Last comment round	Application	1st brief

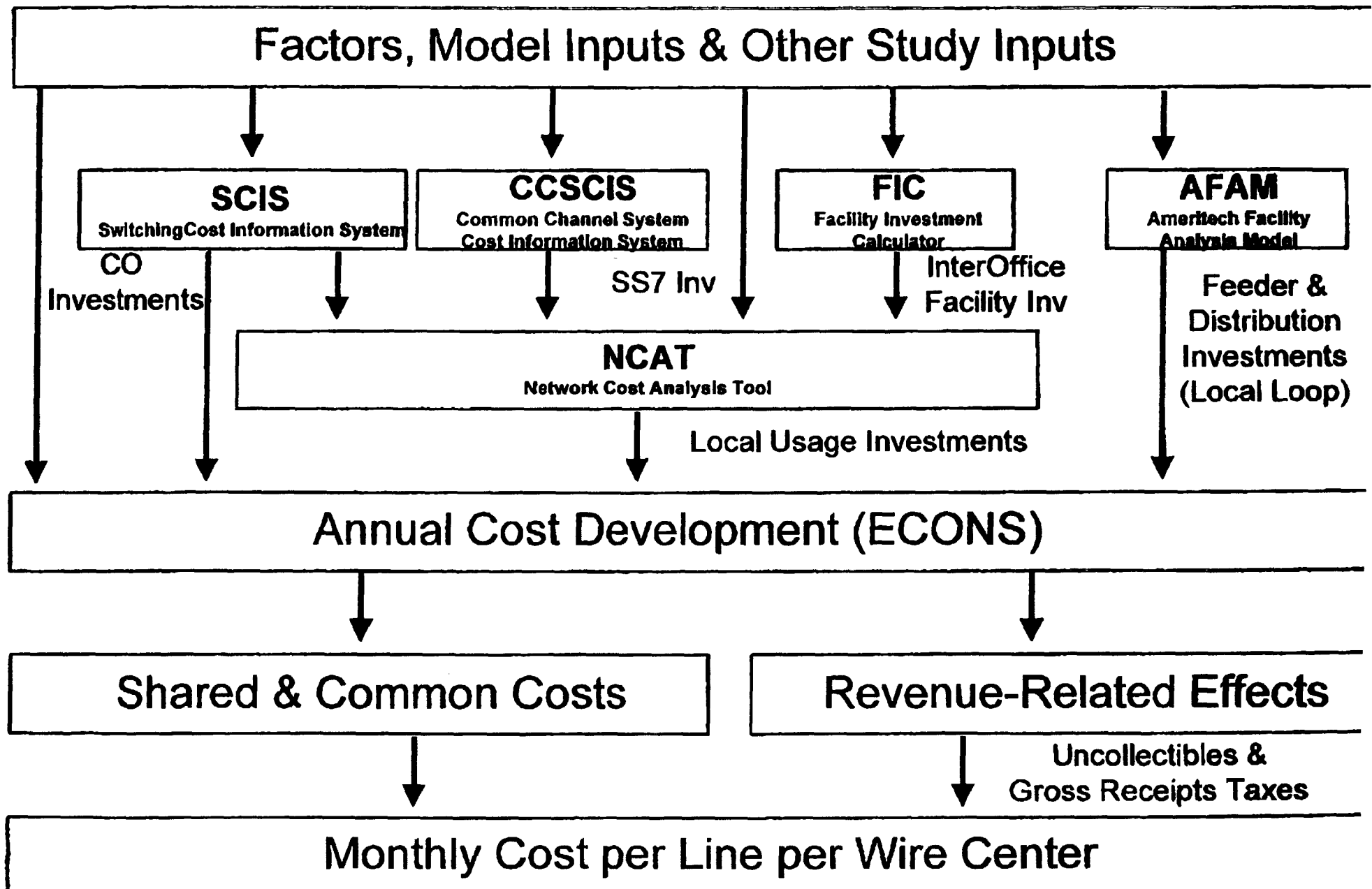
# **Ameritech's Proposed FLEC Study**

## **Company-Specific Models and Inputs**

- **Start with TELRIC proceeding**
  - ➔ **Cost of Money**
  - ➔ **Depreciation Lives**
  - ➔ **Fill Factors**
  - ➔ **Maintenance Factors**
  - ➔ **Tax Factors**
  - ➔ **Revenue-Related Factors**
  - ➔ **Basic Cost Models**
    - AFAM (loop investments)
    - SCIS\* (port & local switching investments)
    - NCAT\* (local usage costs)
    - CCSCIS\* (SS7 investments used by NCAT)
    - FIC (transport investments used by NCAT)
    - Arthur Andersen UNE shared and common costs study
- **New or updated analysis**
  - ➔ **Updated most unit investments and labor rates**
  - ➔ **Modified AFAM to develop loop investments by wire centers**
  - ➔ **Updated Arthur Andersen study to reflect retail operations**
  - ➔ **Studied supported services rather than UNEs**
    - Single party "access" with DTMF
    - Local usage
    - Toll blocking
  - ➔ **Universal Service Accumulator (USA)**
    - Loop, port, local usage, shared (joint), common & total monthly costs by wire center
    - Uncollectible effects

\*Bellcore model

# Ameritech's Company-Specific Cost Study



Summary

Line No.	Geographic Area	Line Count	Loop Cost	Port Cost	Local Usage Cost	Joint Cost	Common Cost	Total Monthly Cost	Total Monthly Cost with GRT & Uncollectible Effects
	(a)	(b)	(c)	(d)	(e)	(f)=((c)+(d)+(e))xJCF	(g)=((c)+(d)+(e))xCCF	(h)=(c)+(d)+(e)+(f)+(g)	(i)=(h)x(1+GRT)+UPL
1	algnwi11								
2	applwi01								
3	asldwi01								
4	barbwi01								
5	beltwi01								
6	bgbnwi11								
7	brfdwi11								
8	brlnwi01								
9	burlwi11								
10	bvdmwi01								
11	byfdwi11								
12	odbgwi15								
13	chflwi11								
14	cidnwi14								
15	clmbwi11								
16	cmhwi12								
17	deprwi11								
18	dlvrwi11								
19	elwowi11								
20	euchwi01								
21	evvwi11								
22	fdulwi01								
23	flstwi11								
24	gnbywi01								
25	gnbywi11								
26	gnbywi12								
27	gnbywi13								
28	gncywi12								
29	gnlkwi11								
30	gnvwi12								
31	hbtaw11								
32	hdsnwi01								
33	hlnwi11								

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# **Ameritech's Proposed FLEC Study**

## **Universal Service Order ¶250 Criteria**

- [1] Technology Characteristics
  - ➔ Forward-looking technologies currently being deployed
    - Next generation DLC on fiber
    - Digital switches
    - Interoffice optical transport
    - No wireless facilities
  - ➔ Ameritech switch locations, line counts & loop lengths
- [2] Network Components
- [3] "Current" Purchased Prices
- [4] TELRIC Cost of Capital
- [5] TELRIC Life Characteristics
  - ➔ Michigan has 10 exceptions
  - ➔ Wisconsin has 12 exceptions
- [6] Reflect Economies of Scale
  - ➔ All DS1 or slower loops
  - ➔ All local usage
- [7] Reasonable Allocation
  - ➔ Use TELRIC allocation method
  - ➔ Use retail shared & common costs
- [8] Availability
  - ➔ Computer available in each state
  - ➔ Nondisclosure agreements
  - ➔ Model documentation
  - ➔ FCC review plan
- [9] Capability to Examine & Modify Important Assumptions
- [10] Deaverages Loop Costs to Wire Center